



General Assembly

February Session, 2016

Raised Bill No. 366

LCO No. 2559



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

***AN ACT CONCERNING ADMINISTRATION OF THE CONNECTICUT
GREEN BANK, THE PRIORITY OF THE BENEFIT ASSESSMENTS
LIEN UNDER THE GREEN BANK'S COMMERCIAL SUSTAINABLE
ENERGY PROGRAM AND THE GREEN BANK'S SOLAR HOME
RENEWABLE ENERGY CREDIT PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 16-245n of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (d) (1) (A) [There is established the Connecticut Green Bank, which
5 shall be within Connecticut Innovations, Incorporated, for
6 administrative purposes only.] The Connecticut Green Bank is hereby
7 established and created as a body politic and corporate, constituting a
8 public instrumentality and political subdivision of the state of
9 Connecticut established and created for the performance of an
10 essential public and governmental function. The Connecticut Green
11 Bank shall not be construed to be a department, institution or agency
12 of the state.

13 (B) The Connecticut Green Bank shall (i) develop separate programs
14 to finance and otherwise support clean energy investment in
15 residential, municipal, small business and larger commercial projects
16 and such others as the Connecticut Green Bank may determine; (ii)
17 support financing or other expenditures that promote investment in
18 clean energy sources in accordance with a comprehensive plan
19 developed by it to foster the growth, development and
20 commercialization of clean energy sources and related enterprises; and
21 (iii) stimulate demand for clean energy and the deployment of clean
22 energy sources within the state that serve end-use customers in the
23 state.

24 (C) The Clean Energy Finance and Investment Authority shall
25 constitute a successor agency to Connecticut Innovations,
26 Incorporated, for the purposes of administering the Clean Energy
27 Fund in accordance with section 4-38d. The Connecticut Green Bank
28 shall constitute a successor agency to the Clean Energy Finance and
29 Investment Authority for purposes of administering the Clean Energy
30 Fund in accordance with section 4-38d. The Connecticut Green Bank
31 shall have all the privileges, immunities, tax exemptions and other
32 exemptions of Connecticut Innovations, Incorporated, with respect to
33 said fund. The Connecticut Green Bank shall be subject to suit and
34 liability solely from the assets, revenues and resources of said bank
35 and without recourse to the general funds, revenues, resources or
36 other assets of Connecticut Innovations, Incorporated. The Connecticut
37 Green Bank may provide financial assistance in the form of grants,
38 loans, loan guarantees or debt and equity investments, as approved in
39 accordance with written procedures adopted pursuant to section 1-121.
40 The Connecticut Green Bank may assume or take title to any real
41 property, convey or dispose of its assets and pledge its revenues to
42 secure any borrowing, convey or dispose of its assets and pledge its
43 revenues to secure any borrowing, for the purpose of developing,
44 acquiring, constructing, refinancing, rehabilitating or improving its
45 assets or supporting its programs, provided each such borrowing or

46 mortgage, unless otherwise provided by the board or said bank, shall
47 be a special obligation of said bank, which obligation may be in the
48 form of bonds, bond anticipation notes or other obligations which
49 evidence an indebtedness to the extent permitted under this chapter to
50 fund, refinance and refund the same and provide for the rights of
51 holders thereof, and to secure the same by pledge of revenues, notes
52 and mortgages of others, and which shall be payable solely from the
53 assets, revenues and other resources of said bank and such bonds may
54 be secured by a special capital reserve fund contributed to by the state.
55 The Connecticut Green Bank shall have the purposes as provided by
56 resolution of said bank's board of directors, which purposes shall be
57 consistent with this section. No further action is required for the
58 establishment of the Connecticut Green Bank, except the adoption of a
59 resolution for said bank.

60 (D) In addition to, and not in limitation of, any other power of the
61 Connecticut Green Bank set forth in this section or any other provision
62 of the general statutes, said bank shall have and may exercise the
63 following powers in furtherance of or in carrying out its purposes:

64 (i) To have perpetual succession as a body corporate and to adopt
65 bylaws, policies and procedures for the regulation of its affairs and the
66 conduct of its business;

67 (ii) To make and enter into all contracts and agreements that are
68 necessary or incidental to the conduct of its business;

69 (iii) To invest in, acquire, lease, purchase, own, manage, hold, sell
70 and dispose of real or personal property or any interest therein;

71 (iv) To borrow money or guarantee a return to investors or lenders;

72 (v) To hold patents, copyrights, trademarks, marketing rights,
73 licenses or other rights in intellectual property;

74 (vi) To employ such assistants, agents and employees as may be

75 necessary or desirable, who shall be exempt from the classified service
76 and shall not be employees, as defined in subsection (b) of section 5-
77 270; establish all necessary or appropriate personnel practices and
78 policies, including those relating to hiring, promotion, compensation
79 and retirement, and said bank shall not be an employer, as defined in
80 subsection (a) of section 5-270; and engage consultants, attorneys,
81 financial advisers, appraisers and other professional advisers as may
82 be necessary or desirable;

83 (vii) To invest any funds not needed for immediate use or
84 disbursement pursuant to investment policies adopted by said bank's
85 board of directors;

86 (viii) To procure insurance against any loss or liability with respect
87 to its property or business of such types, in such amounts and from
88 such insurers as it deems desirable;

89 (ix) To enter into joint ventures and invest in, and participate with
90 others in the formation, ownership, management and operation of
91 business entities, including stock and nonstock corporations, limited
92 liability companies and general or limited partnerships, formed to
93 advance the purposes of said bank, provided members of the board of
94 directors or officers or employees of said bank may serve as directors,
95 members or officers of any such business entity, and such service shall
96 be deemed to be in the discharge of the duties or within the scope of
97 the employment of any such director, officer or employee, as the case
98 may be;

99 (x) To enter into a memorandum of understanding or other
100 arrangements with Connecticut Innovations, Incorporated, with
101 respect to the provision or sharing of space, office systems or staff
102 administrative support, on such terms as may be agreed to between
103 said bank and Connecticut Innovations, Incorporated; and

104 (xi) To do all other acts and things necessary or convenient to carry
105 out the purposes of said bank.

106 (E) (i) The Connecticut Green Bank may form one or more
107 subsidiaries to carry out the purposes of said bank and may transfer to
108 any such subsidiary any moneys and real or personal property of any
109 kind or nature. Any subsidiary may be organized as a stock or
110 nonstock corporation or a limited liability company. Each such
111 subsidiary shall have and may exercise such powers of said bank as
112 are set forth in the resolution of the board of directors of said bank
113 prescribing the purposes for which such subsidiary is formed and such
114 other powers provided to it by law.

115 (ii) Each subsidiary of said bank shall be deemed a quasi-public
116 agency for purposes of chapter 12 and shall have all the privileges,
117 immunities, tax exemptions and other exemptions of said bank. Each
118 such subsidiary may sue and shall be subject to suit, provided its
119 liability shall be limited solely to the assets, revenues and resources of
120 the subsidiary and without recourse to the general funds, revenues,
121 resources or any other assets of said bank. Each such subsidiary is
122 authorized to assume or take title to property subject to any existing
123 lien, encumbrance or mortgage and to mortgage, convey or dispose of
124 its assets and pledge its revenues to secure any borrowing, provided
125 each such borrowing or mortgage shall be a special obligation of the
126 subsidiary, which obligation may be in the form of bonds, bond
127 anticipation notes and other obligations, to fund and refund the same
128 and provide for the rights of the holders thereof, and to secure the
129 same by a pledge of revenues, notes and other assets and which shall
130 be payable solely from the revenues, assets and other resources of the
131 subsidiary. The Connecticut Green Bank may assign to a subsidiary
132 any rights, moneys or other assets it has under any governmental
133 program. No subsidiary of said bank shall borrow without the
134 approval of the board of directors of said bank.

135 (iii) Each such subsidiary shall act through its board of directors or
136 managing members, at least one-half of which shall be members of the
137 board of directors of said bank or their designees or officers or
138 employees of said bank.

139 (iv) The provisions of section 1-125 and this subsection shall apply
140 to any officer, director, designee or employee appointed as a member,
141 director or officer of any such subsidiary. Any such person so
142 appointed shall not be personally liable for the debts, obligations or
143 liabilities of any such subsidiary as provided in section 1-125. The
144 subsidiary shall, and said bank may, save harmless and indemnify
145 such officer, director, designee or employee as provided by section 1-
146 125.

147 (v) The Connecticut Green Bank, or such subsidiary, may take such
148 actions as are necessary to comply with the provisions of the Internal
149 Revenue Code of 1986, or any subsequent corresponding internal
150 revenue code of the United States, as amended from time to time, to
151 qualify and maintain any such subsidiary as a corporation exempt
152 from taxation under said code.

153 (vi) The Connecticut Green Bank may make loans to each such
154 subsidiary from its assets and the proceeds of its bonds, notes and
155 other obligations, provided the source and security for the repayment
156 of such loans is derived from the assets, revenues and resources of the
157 subsidiary.

158 (2) (A) The Connecticut Green Bank may seek to qualify as a
159 Community Development Financial Institution under Section 4702 of
160 the United States Code. If approved as a Community Development
161 Financial Institution, said bank would be treated as a qualified
162 community development entity for purposes of Section 45D and
163 Section 1400N(m) of the Internal Revenue Code.

164 (B) Before making any loan, loan guarantee, or such other form of
165 financing support or risk management for a clean energy project, the
166 Connecticut Green Bank shall develop standards to govern the
167 administration of said bank through rules, policies and procedures that
168 specify borrower eligibility, terms and conditions of support, and other
169 relevant criteria, standards or procedures.

170 (C) Funding sources specifically authorized include, but are not
171 limited to:

172 (i) Funds repurposed from existing programs providing financing
173 support for clean energy projects, provided any transfer of funds from
174 such existing programs shall be subject to approval by the General
175 Assembly and shall be used for expenses of financing, grants and
176 loans;

177 (ii) Any federal funds that can be used for the purposes specified in
178 subsection (c) of this section;

179 (iii) Charitable gifts, grants, contributions as well as loans from
180 individuals, corporations, university endowments and philanthropic
181 foundations;

182 (iv) Earnings and interest derived from financing support activities
183 for clean energy projects backed by the Connecticut Green Bank;

184 (v) If and to the extent that the Connecticut Green Bank qualifies as
185 a Community Development Financial Institution under Section 4702 of
186 the United States Code, funding from the Community Development
187 Financial Institution Fund administered by the United States
188 Department of Treasury, as well as loans from and investments by
189 depository institutions seeking to comply with their obligations under
190 the United States Community Reinvestment Act of 1977; and

191 (vi) The Connecticut Green Bank may enter into contracts with
192 private sources to raise capital. The average rate of return on such debt
193 or equity shall be set by the board of directors of said bank.

194 (D) The Connecticut Green Bank may provide financing support
195 under this subsection if said bank determines that the amount to be
196 financed by said bank and other nonequity financing sources do not
197 exceed eighty per cent of the cost to develop and deploy a clean energy
198 project or up to one hundred per cent of the cost of financing an energy

199 efficiency project.

200 (E) The Connecticut Green Bank may assess reasonable fees on its
201 financing activities to cover its reasonable costs and expenses, as
202 determined by the board.

203 (F) The Connecticut Green Bank shall make information regarding
204 the rates, terms and conditions for all of its financing support
205 transactions available to the public for inspection, including formal
206 annual reviews by both a private auditor conducted pursuant to
207 subdivision (2) of subsection (f) of this section and the Comptroller,
208 and providing details to the public on the Internet, provided public
209 disclosure shall be restricted for patentable ideas, trade secrets,
210 proprietary or confidential commercial or financial information,
211 disclosure of which may cause commercial harm to a
212 nongovernmental recipient of such financing support and for other
213 information exempt from public records disclosure pursuant to section
214 1-210.

215 (3) No director, officer, employee or agent of the Connecticut Green
216 Bank, while acting within the scope of his or her authority, shall be
217 subject to any personal liability resulting from exercising or carrying
218 out any of the Connecticut Green Bank's purposes or powers.

219 Sec. 2. Subdivision (h) of section 16-245n of the general statutes is
220 repealed and the following is substituted in lieu thereof (*Effective from*
221 *passage*):

222 (h) The state of Connecticut does hereby pledge to and agree with
223 any person with whom the Connecticut Green Bank may enter into
224 contracts pursuant to the provisions of this section that the state will
225 not limit or alter the rights hereby vested in said bank until such
226 contracts and the obligations thereunder are fully met and performed
227 on the part of said bank, provided nothing herein contained shall
228 preclude such limitation or alteration if adequate provision shall be
229 made by law for the protection of such persons entering into contracts

230 with said bank.

231 (i) The powers enumerated in this section shall be interpreted
 232 broadly to effectuate the purposes established in this section and shall
 233 not be construed as a limitation of powers.

234 (j) To the extent that the provisions of this section are inconsistent
 235 with the provisions of any general statute or special act or parts
 236 thereof, the provisions of this section shall be deemed controlling.

237 ~~[(h)]~~ (k) (1) (A) Wherever the term "Clean Energy Finance and
 238 Investment Authority" is used in the following general statutes, the
 239 term "Connecticut Green Bank" shall be substituted in lieu thereof: 1-
 240 79, 1-120, 1-124, 1-125, 7-233z, 16-244c, 16-245m, 16-245aa, 16-245bb, 16-
 241 245ee, 16-245ff, as amended by this act, 16-245hh, 16-245kk, 16-245ll,
 242 16-245mm, 16a-40d to 16a-40g, inclusive, as amended by this act, 16a-
 243 40l, 16a-40m, 22a-200c and 32-141.

244 (B) Wherever the term "authority" is used in the following general
 245 statutes, the term "bank" shall be substituted in lieu thereof: 16-245aa,
 246 16-245ff, as amended by this act, 16-245hh, 16-245kk, 16-245ll, 16-
 247 245mm and 16a-40e to 16a-40g, inclusive, as amended by this act.

248 (2) Wherever the term "Clean Energy Finance and Investment
 249 Authority" is used in any public or special act of 2014, the term
 250 "Connecticut Green Bank" shall be substituted in lieu thereof.

251 (3) The Legislative Commissioners' Office shall, in codifying the
 252 provisions of this section, make such technical, grammatical and
 253 punctuation changes as are necessary to carry out the purposes of this
 254 section.

255 Sec. 3. Subsection (g) of section 16a-40g of the 2016 supplement to
 256 the general statutes is repealed and the following is substituted in lieu
 257 thereof (*Effective from passage*):

258 (g) Benefit assessments levied pursuant to this section and the

259 interest, fees and any penalties thereon shall constitute a lien against
 260 the qualifying commercial real property on which they are made until
 261 they are paid. Such lien, or if the financing agreement provides that the
 262 benefit assessments shall be paid in installments then each installment
 263 payment, shall be collected in the same manner as the property taxes
 264 of the participating municipality on real property, including, in the
 265 event of default or delinquency, with respect to any penalties, fees and
 266 remedies. Each such lien may be recorded and released in the manner
 267 provided for property tax liens and [, subject to the consent of existing
 268 mortgage holders,] shall take precedence over all other liens or
 269 encumbrances except a lien for taxes of the municipality on real
 270 property, which lien for taxes shall have priority over such benefit
 271 assessment lien, and provided that the precedence of such benefit
 272 assessment lien over any lien held by an existing mortgage holder shall
 273 be subject to the written consent of such existing mortgage holder. To
 274 the extent benefit assessments are paid in installments and any such
 275 installment is not paid when due, the benefit assessment lien may be
 276 foreclosed to the extent of any unpaid installment payments and any
 277 penalties, interest and fees related thereto. In the event such benefit
 278 assessment lien is foreclosed, such benefit assessment lien shall survive
 279 the judgment of foreclosure to the extent of any unpaid installment
 280 payments of the benefit assessment secured by such benefit assessment
 281 lien that were not the subject of such judgment.

282 Sec. 4. Subsections (a) to (d), inclusive, of section 16-245ff of the 2016
 283 supplement to the general statutes are repealed and the following is
 284 substituted in lieu thereof (*Effective from passage*):

285 (a) As used in this section and section 16-245gg, as amended by this
 286 act:

287 (1) "Performance-based incentive" means an incentive paid out on a
 288 per kilowatt-hour basis.

289 (2) "Expected performance-based buydown" means an incentive

290 paid out as a one-time upfront incentive based on expected system
291 performance.

292 (3) "Qualifying residential solar photovoltaic system" means a solar
293 photovoltaic project that receives funding from the Connecticut Green
294 Bank, is certified by the authority as a Class I renewable energy source,
295 as defined in subsection (a) of section 16-1, emits no pollutants, [is less
296 than twenty kilowatts in size,] is located on the customer-side of the
297 revenue meter of one-to-four family homes and serves the distribution
298 system of an electric distribution company.

299 (4) "Solar home renewable energy credit" means a Class I renewable
300 energy credit created by the production of one megawatt hour of
301 electricity generated by one or more qualifying residential solar
302 photovoltaic systems with an approved incentive from the Connecticut
303 Green Bank on or after January 1, 2015.

304 (b) The Connecticut Green Bank, established pursuant to section 16-
305 245n, as amended by this act, shall structure and implement a
306 residential solar investment program established pursuant to this
307 section [, which] that shall support the deployment of not more than
308 three hundred megawatts of new residential solar photovoltaic
309 installations located in this state on or before (1) December 31, 2022, or
310 (2) the deployment of three hundred megawatts of residential solar
311 photovoltaic installation, in the aggregate, whichever occurs sooner,
312 provided the bank [does] shall not approve direct financial incentives
313 under this section for more than one hundred megawatts of new
314 qualifying residential solar photovoltaic systems, in the aggregate,
315 between [the July 2, 2015,] the effective date of this section and April 1,
316 2016. The procurement and cost of such program shall be determined
317 by the bank in accordance with this section.

318 (c) The Connecticut Green Bank shall offer direct financial
319 incentives, in the form of performance-based incentives or expected
320 performance-based buydowns, for the purchase or lease of qualifying

321 residential solar photovoltaic systems or power purchase agreement
322 from such systems until the earlier of the following: (1) December 31,
323 2022, or (2) the deployment of three hundred megawatts, in the
324 aggregate, of residential solar photovoltaic installation. The bank shall
325 consider willingness to pay studies and verified solar photovoltaic
326 system characteristics, such as operational efficiency, size, location,
327 shading and orientation, when determining the type and amount of
328 incentive. Notwithstanding the provisions of subdivision (1) of
329 subsection (h) of section 16-244c, the amount of renewable energy
330 produced from Class I renewable energy sources receiving tariff
331 payments or included in utility rates under this section shall be
332 applied to reduce the electric distribution company's Class I renewable
333 energy source portfolio standard until the Public Utilities Regulatory
334 Authority approves the master purchase agreement pursuant to
335 subsection (e) of section 16-245gg, as amended by this act.

336 (d) The Connecticut Green Bank shall develop and publish on its
337 Internet web site a proposed schedule for the offering of performance-
338 based incentives or expected performance-based buydowns over the
339 duration of any such solar incentive program. Any such direct
340 financial incentives shall only apply to the first twenty kilowatts of
341 direct current of the qualifying residential solar photovoltaic system.
342 Such schedule shall: (1) Provide for a series of solar capacity blocks the
343 combined total of which shall be a maximum of three hundred
344 megawatts and projected incentive levels for each such block; (2)
345 provide incentives that are sufficient to meet reasonable payback
346 expectations of the residential consumer and provide such consumer
347 with a competitive electricity price, taking into consideration the
348 estimated cost of residential solar installations, the value of the energy
349 offset by the system, the cost of financing the system, and the
350 availability and estimated value of other incentives, including, but not
351 limited to, federal and state tax incentives and revenues from the sale
352 of solar home renewable energy credits; (3) provide incentives that
353 decline over time and will foster the sustained, orderly development of

354 a state-based solar industry; (4) automatically adjust to the next block
 355 once the board has issued reservations for financial incentives
 356 provided pursuant to this section from the board fully committing the
 357 target solar capacity and available incentives in that block; and (5)
 358 provide comparable economic incentives for the purchase or lease of
 359 qualifying residential solar photovoltaic systems or power purchase
 360 agreements from such systems. The Connecticut Green Bank may
 361 retain the services of a third-party entity with expertise in the area of
 362 solar energy program design to assist in the development of the
 363 incentive schedule or schedules. The Department of Energy and
 364 Environmental Protection shall review and approve such schedule.
 365 Nothing in this subsection shall restrict the Connecticut Green Bank
 366 from modifying the approved incentive schedule to account for
 367 changes in federal or state law or regulation or developments in the
 368 solar market when such changes would affect the expected return on
 369 investment for a typical residential solar photovoltaic system by ten
 370 per cent or more. Any such modification shall be subject to review and
 371 approval by the department.

372 Sec. 5. Section 16-245gg of the 2016 supplement to the general
 373 statutes is repealed and the following is substituted in lieu thereof
 374 (*Effective from passage*):

375 (a) Not later than [one hundred eighty] two hundred fifty days after
 376 July 1, 2015, the Connecticut Green Bank shall negotiate and develop
 377 [a] master purchase [agreement] agreements with each electric
 378 distribution company. Each such agreement shall [have a term of
 379 fifteen years, and] require the electric distribution company to
 380 purchase, annually, fifteen-year tranches of solar home renewable
 381 energy credits produced by qualifying residential solar photovoltaic
 382 systems. Each electric distribution company's annual obligation to
 383 purchase fifteen-year tranches of solar home renewable energy credits
 384 produced by qualifying residential solar photovoltaic systems begins
 385 on the date that the Public Utilities Regulatory Authority approves the
 386 master purchase agreement pursuant to subsection (e) of this section

387 and the obligation to purchase additional fifteen-year tranches expires
388 on December 31, 2022.

389 (b) Solar home renewable energy credits shall be owned by the
390 Connecticut Green Bank, until transferred to an electric distribution
391 company pursuant to a master purchase agreement in accordance with
392 subsection (a) of this section. A solar home renewable energy credit
393 shall have an effective life covering the year of its production and the
394 following calendar year. The obligation of the electric distribution
395 companies to purchase solar home renewable energy credits pursuant
396 to the master purchase agreement shall be apportioned [to electric
397 distribution companies based on their respective distribution system
398 loads at the commencement of the master purchase agreement period,
399 as determined by the authority] as follows: (1) In the service area of an
400 electric distribution company that has a service area of not more than
401 seventeen cities and towns, twenty per cent of the annual aggregate
402 credits; and (2) in the service area of an electric distribution company
403 that has a service area of eighteen or more cities and towns, eighty per
404 cent of the annual aggregate credits.

405 (c) Notwithstanding subdivision (1) of subsection (h) of section 16-
406 244c, an electric distribution company may retire the solar home
407 renewable energy credits it procures through the master purchase
408 agreement to satisfy its obligation pursuant to section 16-245a or such
409 company may resell such renewable energy credits, with the proceeds
410 from resale to be netted against contract costs.

411 (d) To develop a master purchase agreement, the Connecticut Green
412 Bank and an electric distribution company shall negotiate in good faith
413 the final terms of the draft master purchase agreement. Thirty days
414 after the date negotiations commence, either the Connecticut Green
415 Bank or an electric distribution company may initiate a docket
416 proceeding before the Public Utilities Regulatory Authority to resolve
417 any outstanding issues pertaining to the master purchase agreement.

418 (e) Upon completion of negotiations on a master purchase
419 agreement the Connecticut Green Bank and the electric distribution
420 company shall not later than January 1, 2016, and thereafter as
421 applicable, jointly file, with the authority, an application for approval
422 of the agreement by the authority. No such master purchase agreement
423 may become effective without approval of the authority. The authority
424 shall hold a contested case, in accordance with the provisions of
425 chapter 54, to approve, reject or modify an application for approval of
426 the master purchase agreement.

427 (f) The purchase price of solar home renewable energy credits shall
428 be determined by the Connecticut Green Bank, and such purchase
429 price shall decline over time commensurate with the schedule of
430 declining performance-based incentives and expected performance-
431 based buydowns. Such purchase price shall not exceed the lesser of
432 either (1) the price of small zero-emission renewable energy credit
433 projects for the preceding year, or (2) five dollars less per renewable
434 energy credit than the alternative compliance payment pursuant to
435 subsection (k) of section 16-245. [Any customer of an electric
436 distribution company that is eligible for the residential solar
437 investment program shall not be eligible for small zero-emission
438 renewable energy credits pursuant to section 16-244s.] Any solar
439 project located on a property that contains or will contain any
440 residence of a customer of an electric distribution company that is
441 determined to meet the Connecticut Green Bank criteria as a
442 residential dwelling for the residential solar investment program shall
443 not be eligible for small zero-emission renewable energy credits
444 pursuant to sections 16-244r and 16-244s or for low-emission
445 renewable energy credits pursuant to section 16-244t.

446 (g) The electric distribution companies' costs associated with
447 complying with this section shall be recoverable on a timely basis
448 through a fully reconciling, nonbypassable rate component. Nothing in
449 this section shall preclude the resale or other disposition of energy or
450 associated renewable energy credits purchased by an electric

451 distribution company, provided the electric distribution company shall
452 net the cost of payments made to projects under the master purchase
453 agreement against the proceeds of the sale of energy or renewable
454 energy credits and the difference shall be credited or charged to
455 electric distribution company customers through a reconciling
456 component of electric rates as determined by the authority that is
457 nonbypassable when switching electric suppliers.

458 (h) Each electric distribution company shall annually file with the
459 authority an accounting of all costs and fees incurred by such electric
460 distribution company while complying with the master purchase
461 agreement.

462 (i) Any certificates issued by the New England Power Pool
463 Generation Information System for Class I renewable energy credits
464 produced by a qualifying residential solar photovoltaic system after
465 the electric distribution company obligation, pursuant to subsections
466 (a) and (b) of this section, to purchase solar home renewable energy
467 credits from such system expires shall be transferred from the
468 Connecticut Green Bank to the electric distribution [company that
469 services the area where such residential solar photovoltaic system is
470 located] companies as follows: (1) In the service area of an electric
471 distribution company that has a service area of not more than
472 seventeen cities and towns, twenty per cent of such certificates; and (2)
473 in the service area of an electric distribution company that has a service
474 area of eighteen or more cities and towns, eighty per cent of such
475 certificates. The electric distribution company shall either (1) resell
476 such credits into the New England Power Pool Generation Information
477 System renewable energy credit market, to be used by any electric
478 supplier or electric distribution company to meet the requirements of
479 section 16-245a, so long as the revenues from such sale are credited to
480 the electric distribution company's customers, or (2) retain such
481 certificates to meet such company's requirements under section 16-
482 245a. In considering whether to sell or retain such certificates, the
483 company shall select the option that is in the best interest of such

484 company's ratepayers.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-245n(d)
Sec. 2	<i>from passage</i>	16-245n(h)
Sec. 3	<i>from passage</i>	16a-40g(g)
Sec. 4	<i>from passage</i>	16-245ff(a) to (d)
Sec. 5	<i>from passage</i>	16-245gg

Statement of Purpose:

To (1) remove the Connecticut Green Bank from Connecticut Innovations, Incorporated, (2) give the Connecticut Green Bank additional powers, (3) make changes regarding the priority of the benefit assessments lien under the Connecticut Green Bank's commercial sustainable energy program, (4) make changes to the solar home renewable energy credit program, and (5) make other technical and conforming changes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]